



MINUTES

LAWSS Board Meeting

Thursday, January 26th, 2017
10 a.m.

Lambton Area Water Supply System – 1215 Fort Street, Sarnia, Ontario N7V 1M1

Attendees:

Andy Bruziewicz, Chair, City of Sarnia
Bev Hand, Vice Chair, Village of Point Edward
Rick Goodhand, Municipality of Lambton Shores
Jay Verstraeten, Village of Point Edward
Lonny Napper, Town of Plympton-Wyoming
David Fielding, Town of Plympton-Wyoming
Amanda Gubbels, Township of Warwick
Greg Storms, Township of Warwick
Todd Case, Township of Warwick
Steve Arnold, St. Clair Township
Nova Vanderslagt, St. Clair Township
Brian Black, St. Clair Township
Chris Westbrook, St. Clair Township
Andre Morin, City of Sarnia
Dave Hunt, OCWA Operations Manager
Susan Budden, OCWA Business Development
Dale Le Britton, OCWA Regional Manager
Susan MacFarlane, LAWSS General Manager

1. Declaration Of Pecuniary Or Conflict Of Interest

- 2. Presentation by Robert Liddle, Bruce Power regarding Environmental Practices at their site to reduce Potential Impacts on Lake Huron which could impact LAWSS Drinking Water**
- 3. Election of LAWSS Chair and Vice-Chair on December 15th, 2016. All LAWSS Board Members were present except Mayor Bev Hand.**

“Motion to elect Councillor Andy Bruziewicz as LAWSS Chair.”

Moved by: Mayor Case
Seconded by: Mayor Weber
Carried

“Motion to elect Mayor Bev Hand as LAWSS Vice Chair.”

Moved by: Mayor Weber
Seconded by: Mayor Arnold
Carried

4. Approval of Regular Agenda Minutes

Portable document format (pdf) copy of the minutes for the November 24th, 2016 meeting is attached to this agenda.

“That the minutes of the November 24th, 2016 LAWSS board meeting be adopted.”

Moved by: Mayor Napper
Seconded by: Mayor Hand
Carried

4. LAWSS Monthly Financial Statements

Pdfs of the October and November 2016 LAWSS budget statement and cash balance sheet are attached for review and approval.

“That the Board accept the financial statements and cash balance sheets for October and November 2016.”

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried

5. OCWA Operational Statements

The operational statements and other materials from OCWA for September and October 2016 are attached as pdfs.

“That the Board accepts the October and November 2016 operational statements and other materials from OCWA.”

Moved by: Mayor Arnold
Seconded by: Councillor Goodhand
Carried

6. 2016 Capital Projects

The following present 2016 Budget projects for Capital Work. *Summary of the capital and major maintenance projects including purchase orders (POs) issued and money spent for October and November 2016 is attached as pdfs.*

Items for Information:

- a) 2016 Upgrade of new Admin HVAC for Water Treatment Plant - \$80,000: Project Complete. LAWSS will receive a \$20,000 rebate from Bluewater Power as a retrofit incentive.
- b) 2016 SCADA Work - \$200,000 – Radio and tower specification completed. LAWSS General Manager is working on a Request for Proposal to hire an engineer to prepare drawings for the SCADA upgrades and prepare a tender document to get the new radios and PLC equipment installed. This work will also include the required SCADA upgrades at the WTP and off site locations.
- c) 2016 Abandoning 24” Water main and Installation of Valve on Monk St. - \$100,000: MIG is finalizing tender document which will included drawings and request prices for grouting on other 24” cast iron that was abandoned over 10 years ago. MIG is also working with the MTO to get permission to grout the newly abandoned 24” water main which must be grouted under the 402. Tender document is expected to be released by the end of January and work is expected to take place in last April/Early May. The unspent money in this account from 2016 will be transferred over to a reserve account for 2017. Any additional money required to complete the work (including all grouting work) will be approved by the LAWSS Board upon selection of the preferred contractor for the work. It is of note that Point Edward is doing a mill and pave on Monk Street and will be replacing the remaining bricks in the median with concrete. It is proposed that LAWSS will fill all excavations with sand and top with gravel. Point Edward will then do all the required asphalt/concrete/curb work and LAWSS will reimburse Point Edward. MIG will determine the cost of work related to the LAWSS project.

- d) 2016 Engineering Studies - \$100,000: New website will be online on February 7th, 2017.
- e) 2016 Polymer System Replacement - \$391,796: Project Completed on budget.
- f) 2016 Main Plant HVAC Replacement - \$628,000: Tender document released and bidder's meeting held on Tuesday, December 13th 2016. Addendum to tender document to be released January 20th. Final tender submission due Thursday, February 9th at 2 pm. All tenders received will be opened at 2 pm at LAWSS WTP with LAWSS Chair present.
- g) Emergency Repair Increased Cooling Capacity in Electrical Room - \$50,000: Design and tender preparation work ongoing and tender expected to be issued by end of January. Once bids are received LAWSS General Manager will request this to be a reserve project for 2017 since it was approved as an emergency project for 2016.

"Motion to move items (a) to (g) as information."

Moved by: Mayor Arnold
Seconded by: Councillor Goodhand
Carried

7. Ongoing Issues

- a) Water Flows: *The water flow sheets for October and November 2016 are attached as pdfs.*
- b) Rebate for VFD at WTP Project: LAWSS issued a PO for \$8,100 to OCWA (Toronto) to complete necessary monitoring and verification work for this project. Once completed LAWSS is expecting a final rebate cheque for \$66,375. The total rebate received from the saveONenergy program for this project is \$132,000.
- c) Emergency Repair of Chamber along Zion Line at Bear Creek in Township of Warwick: Leak was repaired at the Chamber adjacent to Bear Creek. Due to poor weather and freezing concerns (from an egg farmer who has to supply his chickens water from temporary tanks and pumping system) the remainder of the planned (hydrant replacements) will take place in early spring.
- d) LAWSS ArcGIS Update: LAWSS staff meeting with City of Sarnia staff on Tuesday, February 7th to install updated ArcGIS program (sub-cm accuracy locations of valves and hydrants have been added) on LAWSS computer for use by OCWA distribution staff.
- e) Permission to Install Antenna and Store Equipment at LAWSS Water Towers for Lambton County Fire: *Proposed contract from County of Lambton Solicitor is attached as a pdf.* The fee proposed is \$175 per site. It should be noted that the electricity costs

are estimated to be \$50/month/site. It is also noted that currently no air conditioning is found in any of the buildings at our water towers. If the additional equipment creates the requirement for additional cooling LAWSS would have to pay for that.

“Motion to charge the Fire Services and other users their portion of the cost to design and install the structure to hold all antennas on LAWSS water towers. LAWSS will front end the cost and split it by the number of antennas on each water tower which should be determined by March 17th.”

Moved by: Mayor Case
Seconded by: Mayor Hand
Carried

The LAWSS Board also requests to know whose insurance will cover the installations.

- f) Law Suit Related to A Trip and Fall on Federal Property Adjacent to LAWSS and in the - area of the Repaired Shoreline Protection: Pictures taken in the area of the trip and fall by the lawyer for LAWSS's insurance company show that new armour stones have been placed in the area of the trip and fall (this is on property owned by the Federal Government not on LAWSS property). It is not clear who placed the armour stones in that location. It is also note that LAWSS had a company called Sidewalk Plus (same company as used by Point Edward) shave any uneven edges off the shoreline protection. St. Clair Region Conservation Authority was notified of this activity.
- g) Member Municipalities Confirmed and Predicted Water for Future Planning: Working on memo for LAWSS Board. Based on information received from municipalities LAWSS General Manager is trying to estimate water usage in 10 years by all members. Waiting on detailed water requirements estimates from the Business Development Group at the City of Sarnia.
- h) Inventory of LAWSS Assets and Report on Potential Inclusion of Wyoming Water Tower and Brigden Water Tower as part of LAWSS' Assets: *Memo from LAWSS General Manager also attached as a pdf. Key information submitted to LAWSS by the Town of Plympton-Wyoming and St. Clair Township and referenced in the memo are attached as pdfs.*

“Motion that once the work is completed on Brigden Water then the Brigden Water Tower and Wyoming Water Tower will become part of LAWSS' Assets.”

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried/Defeated

“Motion to table the motion until the next meeting.”

Moved by: Mayor Napper
Seconded by: Mayor Case
Carried

- i) LAWSS Existing Procedural By-Law: *Draft procedural by-law with edits as discussed at the last Board meeting is attached as a pdf.*

“Motion to lift the Procedural By-Law from the table.”

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried

“Motion to read the By-Law a first, second and third time and pass the Procedural By-Law.”

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried

- j) LAWSS Unused Properties in St. Clair Township: Transfer of properties to St. Clair Township is expected to be completed by end of January.

- k) 2015 HST Return for LAWSS: *Draft letter and accompanying table to send to Revenue Canada is attached as a pdf.*

“Motion to investigate hiring a third party organization to do a HST audit for LAWSS and provide guidance in the form of a procedure on how to charge HST moving forward. Hold off sending the letter until LAWSS gets written instructions from Revenue Canada on what they need to completed a HST ruling and get information on how much it will cost to hire a HST expert to assist LAWSS.”

Moved by: Mayor Case
Seconded by: Mayor Napper
Carried

- l) Report by OCWA Staff at LAWSS on Township of Warwick Water Request: *The report prepared by OCWA is attached as a pdf.* Warwick Township will be handing out material related to this request.

“Motion to have Stantec and OCWA (Corporate) attend the next LAWSS Board Meeting to discuss how to provide more water to the Township of Warwick. Include in their presentation an overview of the entire system in the form of a drawing.

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried

m) Potential New Employee at LAWSS: *Report from Annetts and Associates is attached as a pdf.* The new employee would have the title “Water System Engineering Technologist” and the pay range would be \$70,288 - \$87,869. If it is decided not to hire the new employee then the extra money added to the LAWSS Operating Budget (\$50,000) will be transferred to the reserve account.

“Motion to approve the hiring of a new employee for LAWSS and maintain the additional \$50,000 in the LAWSS Operating Budget (Staff Salary and Expenses) as provided in the LAWSS Draft 2017 Budget. The hiring will be conducted with the assistance of Mr. Andre Morin and Mayor Bev Hand.”

Moved by: Mayor Case

Seconded by: Mayor Arnold

Carried

n) LAWSS Draft 2017 Budget: The LAWSS budget was to be finalized following the decision about the new staff member. In September 2016, the draft 2017 budget was approved in principal by the LAWSS Board with a reported 2.96% increase over the 2016 budget and the cost to produce a cubic meter of water was calculated to be \$0.60/m³.

Following discussions with Point Edward staff it was determined that the debt payment number was not exactly correct since it was the final year of payment (it was off by about \$10,000) and the 2016 budget numbers listed in the spreadsheet for comparison purposes was incorrect.

Further analysis of the 2016 budget numbers at the bottom of the spreadsheet reveals that all the numbers had all been adjusted upward by 2.34%. **Therefore, the draft budget numbers for 2017 currently proposed and approved in principle by the LAWSS Board is 5.27% not 2.96% greater than the 2016 budget amount.**

It appears that the former manager had an imbedded macro in the spreadsheet which was somehow activated. It is guessed that this macro was used to adjust the numbers by CPI to determine the actual budget increase outside of inflation. Given the many Window updates to the Excel spreadsheet this macro cannot be found and therefore cannot be removed. Therefore, a brand new budget spreadsheet has been developed and will be used for the LAWSS 2018 Budget.

The LAWSS draft budget with all the corrections made and dated November 25, 2016 is attached as a pdf. If the LAWSS Board would like to bring the budget increase back to about 3% it is proposed that the amount transferred to reserve be set to \$0 from \$150,000 and the follow major maintenance projects be deferred to 2018:

Rebuild 32” Ross Valve - \$50,000

New Hydrant at Michigan and Front - \$25,000

Removed meter Chamber at Townsend Line - \$20,000

With these projects removed the 2017 Budget would be 2.83% greater than the 2016 budget amount. Note that under this scenario the cost to members for water would be \$0.58/m³ as opposed to 0.60/m³.

“Motion to reduce budget by removing projects listed above and by reducing the payment to reserve to limit the budget increase to be a 2.96% increase over the 2016 budget as approved by the LAWSS Board in September.”

Moved by: Mayor Arnold
Seconded by: Mayor Hand
Carried

8. New Business

- a) Fraud Letter to the LAWSS Board: *The Fraud Letter to the LAWSS Board from BDO is attached as a pdf. The proposed response letter from the LAWSS Chair is also attached as a pdf.*
- b) Request for Proposal for Engineering Design of Structure to Place on Water Towers to Hold Existing, New and Future Antennas: *A section of a proposed Request for Proposal (RFP) to hire an engineer to design a structure to place on all LAWSS water towers is attached as a pdf. It is noted that this RFP also includes the requirement to provide guidance on repairing all ice damaged safety rails as required on LAWSS water towers. Based on discussions with Town of Plympton-Wyoming and Township of St. Clair there may be interested in adding in their requirements for installing a structure on their towers for holding antennas in this RFP.*

“Motion to approve to develop a Reserve Project to engineer and install structures on all water towers in preparation for the installation of the Fire Service Antennas.”

Moved by: Mayor Arnold
Seconded by: Councillor Goodhand
Carried

- c) Lead Treatment Options Study by the City of Sarnia: *The City of Sarnia is planning on doing a lead treatment study to look at the options to manage lead in homes. Sarnia will look at Corrosion Control at LAWSS in addition to costs to manage it using filters, lead replacement of services.*

“Motion that LAWSS Fund the study from reserve and transfer the money to the City of Sarnia once completed and ensure that LAWSS has a copy of the report on file.”

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried

- d) Review of Water Quantities in OCWA Demand Side Management Report: There appears to be some discrepancy between the numbers reported in this report and actual numbers issued from the LAWSS Flow reports.

“Motion to have LAWSS OCWA staff check the flow number for Plympton-Wyoming for 2015 listed in the Warwick Demand Side Management Report.”

Moved by: Mayor Arnold
Seconded by: Mayor Case
Carried

9. IN-CAMERA Meeting

The Board will adjourn to an in-camera meeting if necessary.

10. Chair to Rise and Report on the Matters of Public Concern from the In-Camera Session

The Chair will report as required.

11. Adjournment/Next Meeting

“That the LAWSS Board adjourn this meeting to its next board meeting to be held on Thursday, February 23rd, 2017 at 10:00 am at the LAWSS water treatment plant.”

Moved by: Mayor Case
Seconded by: Councillor Goodhand
Carried

pdf Attachments:

1. Minutes of LAWSS Board Meeting November 24th, 2016
2. LAWSS Financial Statement – October 2016
3. LAWSS Financial Statement – November 2016
4. LAWSS Cash Balance Sheet – October 2016
5. LAWSS Cash Balance Sheet – November 2016
6. OCWA Monthly Operations Report – October 2016
7. OCWA Monthly Operations Report – November 2016
8. OCWA Data Report for LAWSS – October 2016
9. OCWA Data Report for LAWSS – November 2016
10. OCWA Health and Safety Work Order Status October 2016
11. OCWA Health and Safety Work Order Status November 2016
12. OCWA Work Order Status October 2016
13. OCWA Work Order Status November 2016
14. OCWA Health and Safety Work Order Status Jan – October 2016
15. OCWA Health and Safety Work Order Status Jan – November 2016
16. OCWA Work Order Status Jan – October 2016
17. OCWA Work Order Status Jan – November 2016
18. LAWSS Project List – October 2016
19. LAWSS Project List – November 2016
20. LAWSS Flows October 2016
21. LAWSS Flows November 2016
22. Sample Draft Water Tower Agreement with Lambton County Related to Fire Service Request to Place Antennas on LAWSS Water Towers
23. Memo from LAWSS General Manager on Condition and Revenue from Wyoming and Bridgen Water Towers
24. OCWA Tower Maintenance Proposal
25. Landmark Report for Bridgen Water Tower 2015
26. Letter to LAWSS from St. Clair Township Regarding Bridgen Water Tower
27. Wyoming Inspection Report 2016
28. LAWSS Procedural By-Law 2016 Draft (Revision 2)
29. Letter to Revenue Canada
30. Township of Warwick Demand Side Management
31. Final Report – Water System Engineering Technologist
32. LAWSS Draft Budget Dated November 25, 2016
33. Fraud Letter from BDO to LAWSS Board
34. Response to BDO Fraud Letter from LAWSS Chair
35. Portion of Request for Proposal for New Structures on LAWSS Water Towers to hold antennas

Hand-outs

1. Material from Warwick Township Regarding Water Request